



SUSTAINABILITY REPORT 2023

DURAK TEKSTİL SUSTAINABILITY REPORT



Report Plan

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About the Report

This report covers the sustainability performance of Durak Tekstil San. ve Tic. A.S. for the period between January 1, 2023, and December 31, 2023. It includes the company's global operations and presents data encompassing all our subsidiaries and business units.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, at the “core” reporting level according to the most recent version, GRI Standards 2021. The indicators used in the report have been selected within the framework of relevant indicators, including GRI 101, GRI 102, and GRI 103, and a materiality analysis has been conducted based on the feedback received from our stakeholders during the preparation of the report.

The methods used for data collection and calculation are consistent with our internal reporting systems and have undergone an independent third-party verification process. Topics such as climate change, environmental impact management, workers' rights, and social contributions are addressed in detail within the report.

Our sustainability report is published annually, and our next report will be released in 2025. For any questions or feedback regarding the report, please contact us at durak@durak.com.tr.

Sustainability Team



“

**There is still much to be done
in areas like climate change,
sustainable resource management,
and social justice.”**

Dear Stakeholders,

It is with great pleasure that I present this year's sustainability report. Sustainability is one of the core values of Durak Tekstil San. ve Tic. A.Ş. and is at the heart of our business strategy. This report is a document that demonstrates how our company balances economic growth with environmental and social responsibilities.

Over the past year, we have taken significant steps to reduce our carbon footprint, improve water and energy efficiency, and enhance sustainable supply chain practices. These achievements have been made possible by the dedication of our employees and the support of our stakeholders.

However, many challenges and opportunities still lie ahead. There is much work to be done in areas such as climate change, sustainable resource management, and social justice. We will continue to work with determination to overcome these challenges and build a sustainable business model for the future.

We would like to thank all the stakeholders who have guided us on our sustainability journey. I invite you to join us in this journey and work together to build a more sustainable future.

Sincerely,

Hüseyin KURU
Chairman of the Board



“

...we will continue to develop innovative solutions in the field of sustainability and evolve our business model in this direction.”

Dear Stakeholders,

Sustainability has become an integral part of our daily operations at Durak Tekstil San. ve Tic. A.S. We are proud to share in this year's sustainability report how we have achieved tangible results by integrating our sustainability goals with the company's business strategy.

Recently, we have taken steps to enhance energy efficiency, improve waste management, and achieve significant savings in water usage. These efforts have allowed us to minimize our environmental impacts while increasing operational efficiency. In particular, the steps we have taken to source renewable energy for our production facilities and our water management strategies have strengthened our operational sustainability.

We have strengthened our goals for sustainable production. Additionally, by working closely with our suppliers, we have encouraged their compliance with sustainability criteria and responsible production practices. This has contributed to achieving sustainability goals for both our suppliers and the company. Looking forward, we will continue to develop innovative solutions in the field of sustainability and evolve our business model in this direction. By increasing our R&D investments, developing sustainable products and services will solidify our leadership position in the industry.

Moreover, we will continue our commitment to better managing our environmental impacts by setting greenhouse gas footprint calculations as one of our goals for next year. We will remain determined in this journey toward sustainability. I would like to express my gratitude to all our employees, customers, and business partners who have supported us. Together, we will continue working towards building a more sustainable future.

Sincerely,

Nadiye KURTEŞ
President of the Executive Board



**ABOUT
DURAK**



Durak Tekstil was founded in 1972 in Turkey and has grown into a global textile leader, exporting to more than 75 countries.

Specializing in sewing and embroidery threads, our company offers a wide range of high-quality products to meet the diverse needs of the textile industry.

Our mission is to enhance lives by providing our customers with innovative and sustainable solutions. Our vision is to be recognized as a pioneer in sustainability within our industry while growing our business in harmony with our social and environmental responsibilities. Ethical business practices and a commitment to innovation form the foundation of our core values.

As a parent company, Durak Tekstil operates its global activities through various subsidiaries and business units. Our Board of Directors and Executive Committee provide strategic guidance and integrate sustainability goals into our business processes.

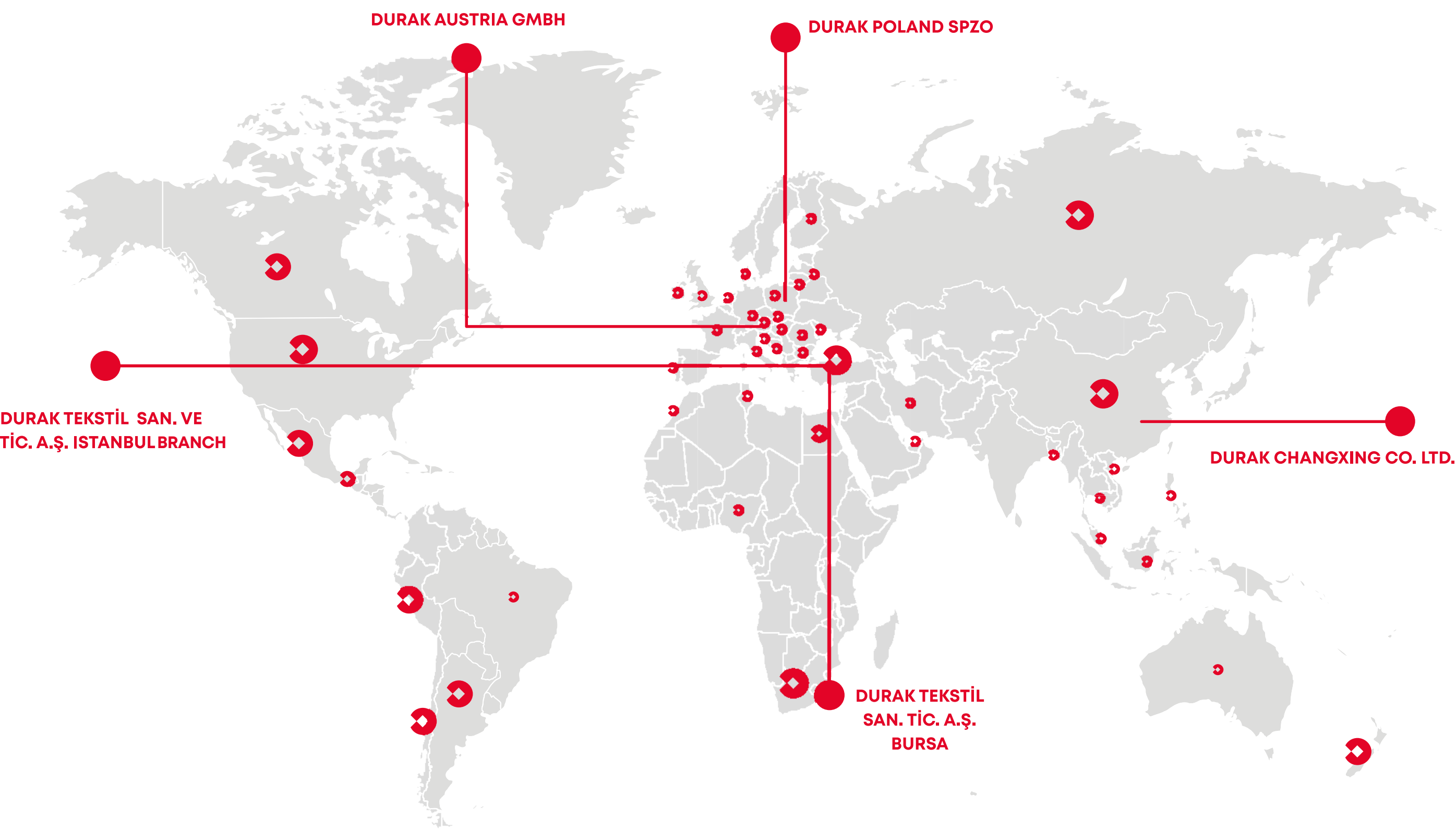
Specializing in industrial sewing and embroidery thread production, Durak Tekstil exports its products to over 75 countries across five continents. With manufacturing facilities in Turkey and China, as well as sales centers in Turkey, China, Austria, and Poland, we maintain a strong competitive advantage in global markets. Our company continues to lead the industry with innovative textile solutions.

Our sustainability strategy is centered on minimizing our environmental footprint, enhancing employee and community well-being, and fostering responsible economic growth. We continuously integrate energy efficiency, renewable energy solutions, and circular economy principles into our operations to achieve a more sustainable future. Additionally, we are committed to upholding employee rights and promoting workforce diversity.

We have obtained key sustainability certifications, including ISO 9001, GOTS, GRS, and OEKO-TEX Standard 100, and have initiated the implementation of the ISO 50001 Energy Management System. As a signatory of the United Nations Global Compact, we reaffirm our commitment to aligning with internationally recognized sustainability standards.

Durak Tekstil's Production Power

Durak Tekstil has a direct sales network across 5 continents, ensuring easy and fast accessibility. The company operates in 4 countries and employs a total of 350 people.



250

Tons monthly production and sales capacity



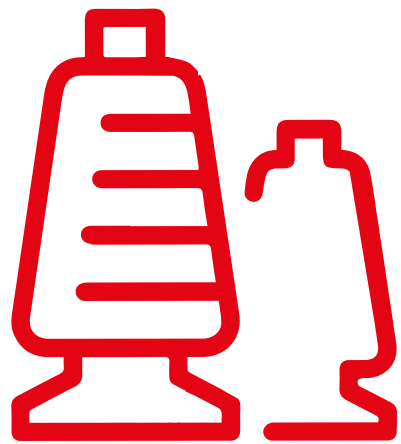
77

Product types with various specifications



75+

Countries exported to



55K

Units product and color range



WHAT IS SUSTAINABILITY FOR US?



ENVIRONMENT

- ❖ To increase the use of renewable energy sources
- ❖ To emphasize the importance of climate change
- ❖ To reduce air, water, and soil pollution
- ❖ To reduce waste generation and promote recycling

SOCIAL

- ❖ To prioritize employee training
- ❖ To safeguard employee rights
- ❖ To advocate for equality in gender and other social rights
- ❖ To take measures for occupational health and safety

GOVERNANCE

- ❖ To save for a more sustainable future
- ❖ To use capital wisely
- ❖ To consider ethical principles
- ❖ To stay in touch



WHAT IS SUSTAINABILITY FOR US?

As Durak Tekstil, we place sustainability at the core of our business approach. For us, sustainability is not just about protecting the environment but also a commitment to fulfilling our responsibility to society and the future. This means using our resources efficiently, reducing our environmental impact through innovation, and creating a fairer business world.

Our understanding of sustainability supports the long-term success of our company while encompassing the actions we take to protect our environment and society. We are working to improve energy efficiency, reduce water consumption, minimize waste, and increase the use of renewable energy sources. At the same time, improving the well-being of our employees, building strong relationships with communities, and adhering to fair trade principles form the foundation of our social responsibility approach.

We promote workforce diversity and prioritize the development and safety of our employees. By collaborating with our stakeholders, we continuously improve our sustainability strategies and create innovative solutions to build a better future.

Sustainability shapes not only our current operations but also the vision of a more livable world we want to create for future generations. On a global level, we are increasing our contribution to the United Nations Sustainable Development Goals (SDGs) every day, continuing our journey towards environmental, social, and economic sustainability.



OUR CORPORATE GOVERNANCE APPROACH

Our strong corporate governance approach is based on the principles of transparency, accountability, fairness, and responsibility. Our board of directors makes strategic decisions to support sustainable growth and protect the interests of our stakeholders, while adhering to our ethical principles throughout these processes.

Our management structure is based on an independent and diversity-driven board of directors. Our board follows a strategy that takes into account not only financial performance but also our environmental and social responsibilities. Our sustainability committee regularly evaluates our performance in these areas.

In terms of business ethics and compliance, we follow a zero-tolerance policy. Clear rules regarding corruption, bribery, and unethical practices are enforced for our employees and suppliers and are supported by regular audits. Our ethics committee ensures the implementation of our business ethics principles and provides quick and effective solutions in case of any ethical violations.

Transparency and accountability are the cornerstones of our corporate governance. By considering feedback from both internal and external stakeholders, we continuously improve our decision-making processes. We monitor and evaluate stakeholder feedback through face-to-face meetings and surveys.

Our risk management strategy covers not only financial risks but also environmental and social risks. We take proactive steps to ensure business continuity and crisis management, integrating sustainability risks into our business strategies. In this regard, we ensure that our sustainability goals are integrated into all our operational processes and operate with a principle of continuous improvement.

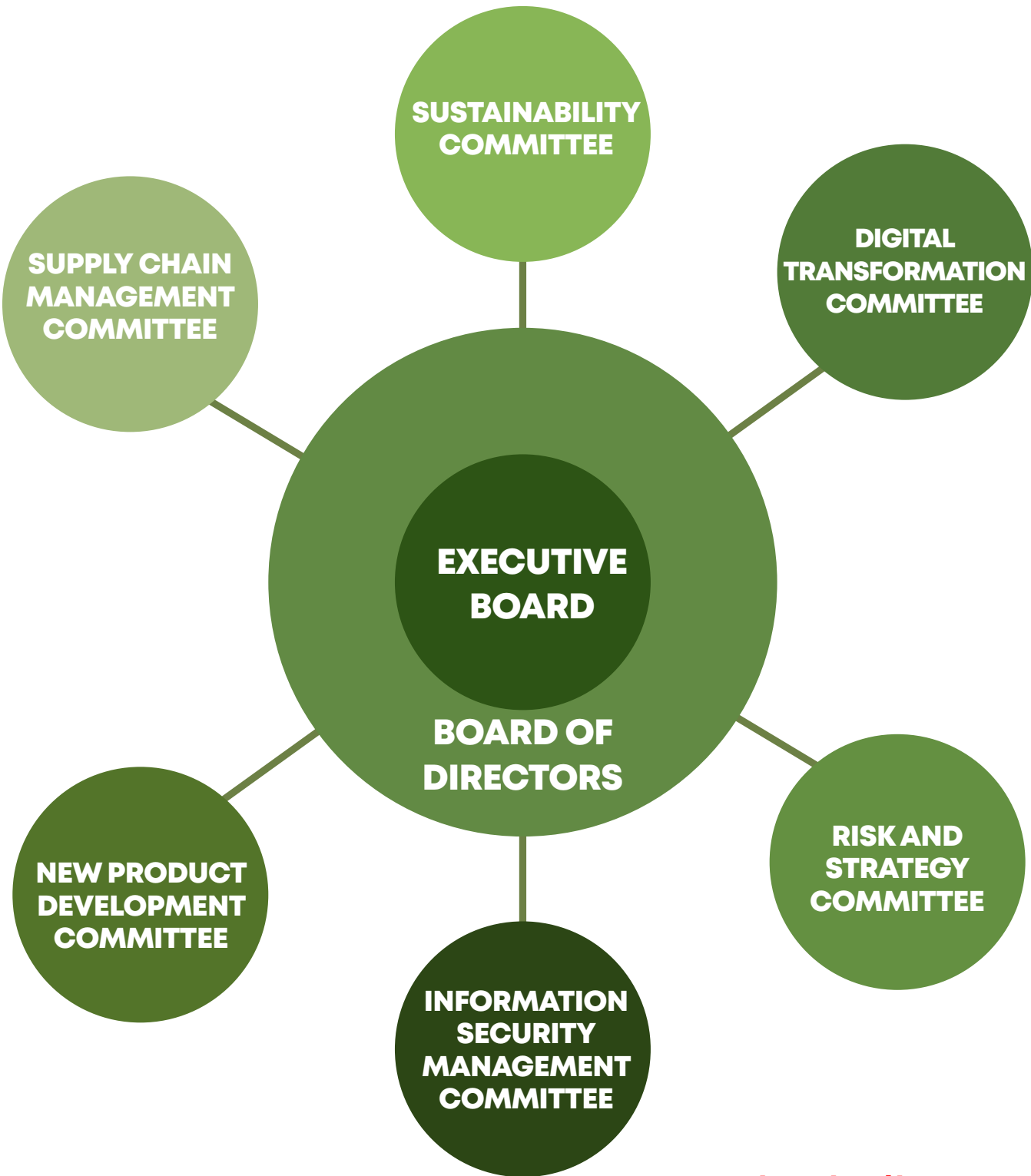
Our corporate governance approach supports Durak Tekstil's long-term sustainable success and ensures that we fulfill our responsibilities towards our employees, stakeholders, and society.



SUSTAINABILITY MANAGEMENT

Durak Tekstil’s sustainability vision is fully integrated into the company’s operations, and sustainability management is approached with a structural mindset. Our sustainability strategy is shaped by the Board of Directors and the Executive Board, and various committees have been established to ensure its effective implementation and continuous improvement. These committees operate to achieve sustainability goals with the contributions of teams specialized in different areas.

The synergy created among these committees enables the company to achieve its sustainability targets and develop a structure that adheres to environmental, social, and governance principles at every stage of its operations. Each committee covers different aspects of the sustainability strategy, allowing the company to adopt a holistic approach to sustainability.





SUSTAINABILITY GOALS

Durak Tekstil is committed to responsibly managing its environmental, social, and economic impacts in line with its sustainability strategy. In this context, we have outlined the sustainability goals we aim to achieve in the coming years under three main categories: improving environmental performance, fulfilling social responsibilities, and ensuring economic sustainability.

Our Environmental Goals:

Energy Efficiency: We aim to reduce our energy consumption by 3.6% by 2025. In this regard, we will continue to implement energy management systems across all our facilities.

Waste Management: Our goal is to increase our waste recycling rate to 20% and achieve zero waste by 2030.

Renewable Energy Usage: By 2030, we aim to source 50% of our energy consumption from renewable sources.

Our Social Goals:

Workforce Diversity and Inclusion: We aim to increase the percentage of female employees and create a more inclusive workforce at all levels.

Occupational Health and Safety: To ensure the highest level of safety for our employees, we are targeting zero workplace accidents in our operations.

Social Investments: We aim to increase social responsibility projects aimed at local communities.

Our Economic Goals:

Responsible Supply Chain: By 2030, we aim to ensure that 80% of our suppliers comply with sustainability criteria, strengthening our responsible supply chain management.

Sustainable Product Development: We adopt the strategy of sourcing our products from sustainable materials, prioritizing sustainability in product design and sourcing.

Performance Indicators and Progress Monitoring: We will regularly track the progress of our goals and share updates with our stakeholders through annual reports. Additionally, we will provide transparency on our progress through independent audits. The advancement towards our goals will be a clear indication of the success of our sustainability strategy.

Future Commitments: One of our key priorities for the coming year is to measure and reduce our greenhouse gas emissions and develop strategies for reduction. By joining the Science-Based Targets Initiative (SBTi), we are committed to achieving our emission reduction targets by 2030.

GLOBAL COMPACT PRINCIPLES AND OUR SUSTAINABILITY APPROACH

As of 2022, we became a signatory to the UN Global Compact platform.



	Attention to employee health		Development of factories and a clean environment
	Support for vocational schools and internship programs		Ensuring fair working conditions and establishing salary balance for every employee
	56% female employee ratio		Prohibition of harmful substances in production and careful attention to environmental issues
	Access to clean drinking water and ensuring traceability of wastewater discharge		Monitoring, evaluating, and raising awareness of environmental activities
	Use of renewable energy at specific levels in production		No use of prohibited substances in production and careful attention to environmental issues.
	Employee training and commitment, clean production, and economic growth resulting from attention to Occupational Health and Safety (OHS) and environmental issues.		



OUR VISION, MISSION AND VALUES

Our Vision

To be a leading company in the industrial thread and complementary products sector, continuously increasing market share and providing maximum value to our stakeholders at every moment of life.

Our Mission

We are a sustainable company that, with our quality production and service approach in global conditions, is environmentally conscious, prioritizes employee and customer satisfaction, adapts to technological developments and changes, and has a globally recognized brand.

Our Values

- Increase the use of recycled products
- Achieve accessibility in target locations through high-quality and fast production
- Provide necessary training to optimize the productivity of our employees
- Take responsibility for the work done
- Reduce energy intensity and increase the use of environmentally friendly energy through continuous improvements
- Ensure the reduction of waste
- Sustainable success
- Participatory management approach
- Entrepreneurial mindset and openness to innovation
- Respect for the environment and society
- Proper resource management and optimum efficiency
- Enhance energy efficiency with appropriate projects and reduce emission values



OUR CERTIFICATIONS



VISCOSE - COTTON
OEKO-TEX CERTIFICATE



POLYESTER OEKO-TEX
CERTIFICATE



ISO-9001



IATF 16949 AUTOMOTIVE
QUALITY MANAGEMENT
SYSTEM



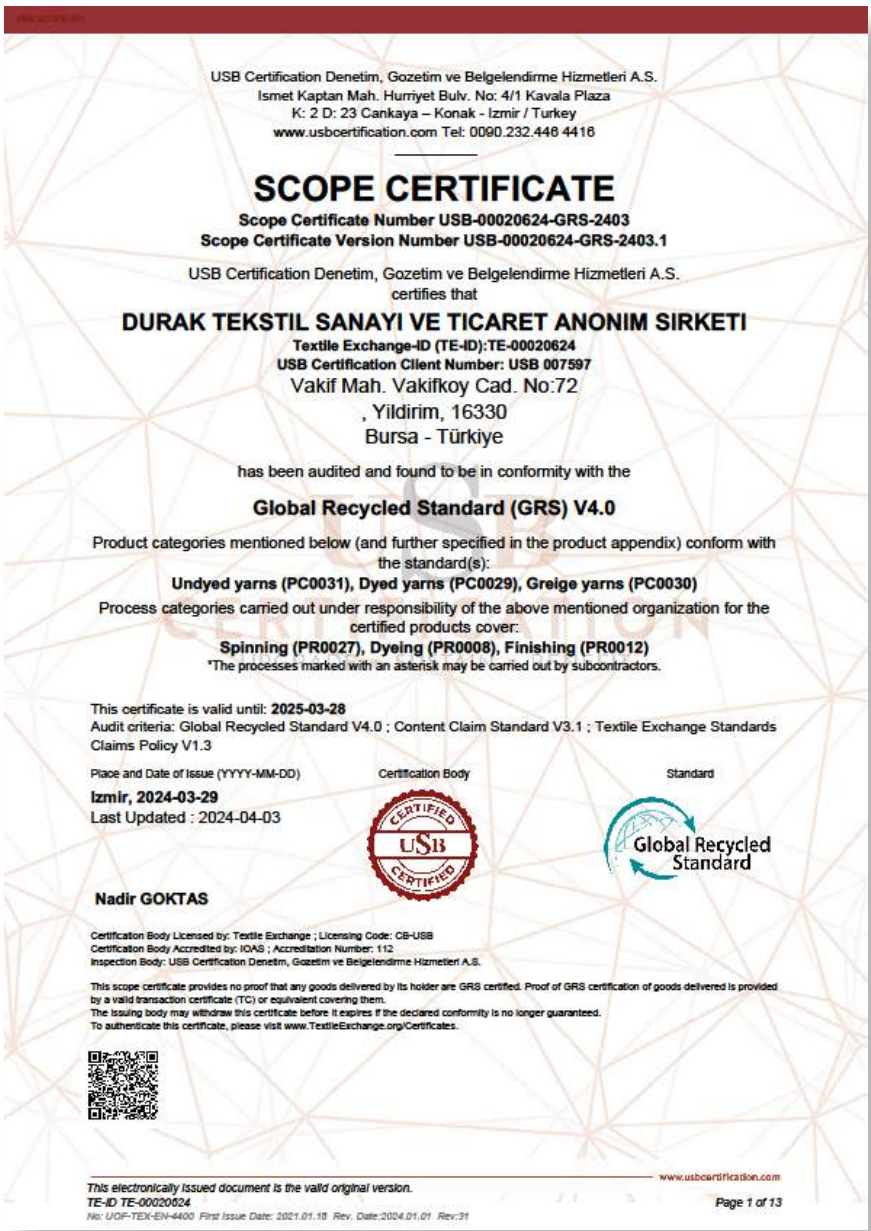
ARAMID - ACRYLIC
OEKO-TEX CERTIFICATE



OUR CERTIFICATIONS



GOTS



GRS

AUDITS

We undergo regular audits according to international standards to verify our sustainability and social responsibility commitments. Certification programs such as the Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Oeko-Tex Standard 100, and Initiative for Compliance and Sustainability (ICS) are among the most important audits that evaluate our company's environmental and social performance.

Our Future Goals: In 2024, we aim to increase the use of recycled materials by 20% and achieve excellent performance in ICS audits by investing in social responsibility projects. At the same time, we plan to implement new chemical tests to further enhance the safety of our products in Oeko-Tex audits.

As Durak Tekstil, we continue to share transparently the successes we achieve through these audits with our stakeholders in our sustainability reports. All these audit processes guide the decisions we make on our path to achieving our sustainability goals.



1. GOTS (Global Organic Textile Standard) Audit

The GOTS certification audits whether organic textile production processes comply with environmental and social sustainability principles. In the 2023 GOTS audit, it was determined that all our organic products fully comply with GOTS standards.

Our organic cotton supply chain successfully passed the audit, demonstrating both our commitment to minimizing environmental impact and our respect for employee rights.

It was also confirmed that the chemicals used in our production processes meet the criteria set by GOTS.

2. GRS (Global Recycled Standard) Audit

GRS is a standard that evaluates the traceability of recycled materials as well as environmental and social criteria.

The GRS audit conducted in 2023 confirmed that the products in which we use recycled materials are traceable and responsibly managed throughout the supply chain.

The origin of all our recycled materials and the processes used have been transparently verified and approved as compliant with the GRS standard.

3. ICS (Initiative for Compliance and Sustainability) Audit

ICS is an audit process that focuses specifically on social compliance and labor rights.

In the 2023 ICS audit, issues such as working conditions, occupational health and safety, child labor, and forced labor were thoroughly evaluated.

The audit conducted at our factory showed high compliance with occupational health and safety measures, employee well-being, and the protection of workers' rights.

We continue to carry out regular audits to ensure that all our suppliers comply with ICS standards.

4. Oeko-Tex Standard 100 Audit

Oeko-Tex Standard 100 is an international standard that verifies whether textile products are free from harmful chemicals.

Our 2023 Oeko-Tex audit confirmed that all our products are free from harmful chemicals and are safe for health.

During the audit process, it was confirmed that the raw materials used in our products are harmless to human health, and the Oeko-Tex Standard 100 certification has been renewed.

Audit Results and Improvement Initiatives

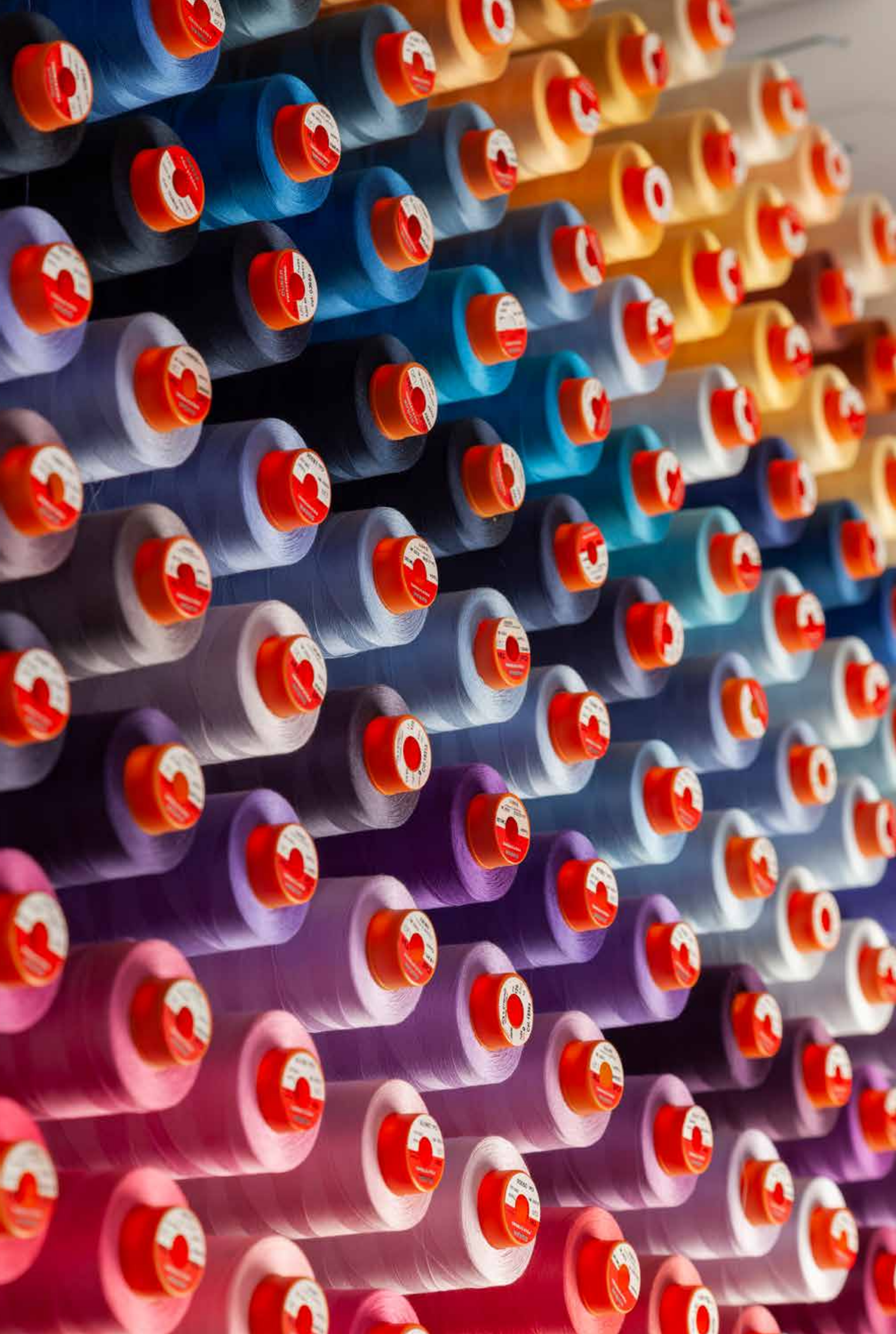
As a result of the audits we have undergone, our achievements in sustainability and social responsibility have been validated, and necessary actions have been taken for areas open to improvement.

In particular, during the GOTS and GRS audits, we aim to invest in more innovative projects to enhance the environmental performance of our supply chain.

In the ICS and Oeko-Tex audits, we continue to maintain our high standards regarding social responsibility and product safety.

Independent Third-Party Audits

These audits were conducted by independent third-party auditing firms, with transparency and impartiality being the core principles of the auditing process. The audit results have once again confirmed that our sustainability strategies are aligned with international standards.



PRODUCTION CAPACITY

Our manufacturing processes involve high-volume operations in various areas, including thread and fabric dyeing, twisting, thread production, and plastic material manufacturing.

Bobbin Dyeing	: 735000 kg/year (single shift)
Hank Dyeing	: 900 kg/year
Twisting of Artificial and Synthetic Yarns	: 418166 kg/year
Sewing, Embroidery, and Industrial Threads	: 1009680 kg/year
Textured Yarn	: 78000 kg/year
Poy Yarn	: 558290 kg/year
Beaded Ribbon	: 760320 meters/year
Plastic Bobbin	: 283220 kg/year

Thanks to this extensive production capacity, we produce our high-quality products in accordance with sustainability principles and offer the most efficient solutions to our customers. Our advanced production lines have the potential to continuously increase our capacity, demonstrating our ability to respond quickly to the changing needs of the industry.

A circular, fisheye view of a sustainable landscape. The scene is framed by a thick, vibrant green ring of trees. Inside the circle, a large wind turbine stands prominently in the foreground, with several other smaller ones visible in the distance. The background features rolling green mountains and a small town or city nestled at the base of the hills. The sun is shining brightly from the upper right, creating a warm, golden glow and casting long shadows. The overall image conveys a sense of environmental harmony and sustainable development.

ENVIRONMENTAL-SOCIAL SUSTAINABILITY



WATER CONSUMPTION

We consider the sustainable use of water to be a key component of our business processes and have intensified our efforts in recent years to use water resources more efficiently. Our water supply comes from underground sources. The majority of our water consumption occurs in the dyeing department, and by 2023, we have reduced water consumption per kg of thread in the dyeing department to 52 liters. Our goal is to continue decreasing this amount even further.

Results and Threads

We have achieved a 5% reduction in water consumption compared to 2022. This has been made possible through the implementation of water efficiency-enhancing technologies and the initiation of reuse projects. Our goal for 2024 is to further reduce our water consumption by an additional 5%.

Water Saving Projects

With the recycling project we implemented in the water softening plant, we have recovered 40% of the water that was previously discharged as waste. Additionally, by recycling some of the cooling water in the dyeing department, we achieved a 1% saving.

Our Future Goals

By 2025, our goal is to reduce water consumption by 5% and increase our water recycling rate to 50%. To minimize our water footprint, we aim to align our water management systems with the ISO 14046 certification.

Understanding that water is a vital resource not only for our operations but also for future generations, our company is committed to continually improving our water management strategy and ensuring the efficient use of resources.



GREEN ENERGY

Durak Tekstil, as of January 1, 2021, has started consuming 100% environmentally friendly energy by utilizing renewable energy certificates registered under international standards.



ENERJİSA
e-on | SABANCI

YENİLENEBİLİR ENERJİ SERTİFİKASI TEDARİK BELGESİ

PROOF OF RENEWABLE ENERGY PROCUREMENT

Sn. DURAK TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

Bu belge ile 01.01.2024 tarihi itibarıyla uluslararası standartlar tarafından kayıt altına alınan yenilenebilir enerji sertifikalarını kullanarak %100 oranında çevre dostu enerji tüketmeye başladınız.

Bu belge 01.01.2024 - 31.12.2024 tarihleri arasında geçerlidir.

Dear DURAK TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

This is to certify that, as of 01.01.2024, you have started consuming 100% environmentally-friendly energy by use of renewable energy certificates that are recognized by international standards.

This document is valid from 01.01.2024 to 31.12.2024.

İmza / Signature

Unvan / Title
MEHMET UĞUR
SATIŞ DİREKTÖRÜ / SALES DIRECTOR

Bu belge taraflar arasında imzalanan Elektrik Tedarik Sözleşmesi yürürlükte kaldığı sürece geçerlidir.

This document is valid as long as the Electricity Supply Contract is signed between the parties.



GREEN ENERGY

Based on the “Renewable Electricity Purchase” contract and certificate, the amount of renewable energy used in our production facilities has been certified by The International Rec Standard.



This Redemption Statement has been produced for
DURAK TEKSTİL SAN. TİC. A.Ş.

by

ENERJISA ISTANBUL ANADOLU YAKASI ELEKTRİK AŞ

confirming the Redemption of

317.000000

I-REC Certificates, representing 317.000000 MWh of
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

Turkey

in respect of the reporting period

2023-12-01 to 2023-12-31

The stated Redemption Purpose is

Disclosure for Scope 2 Reporting

Ev.



QR Code Verification

Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below

Verification Key

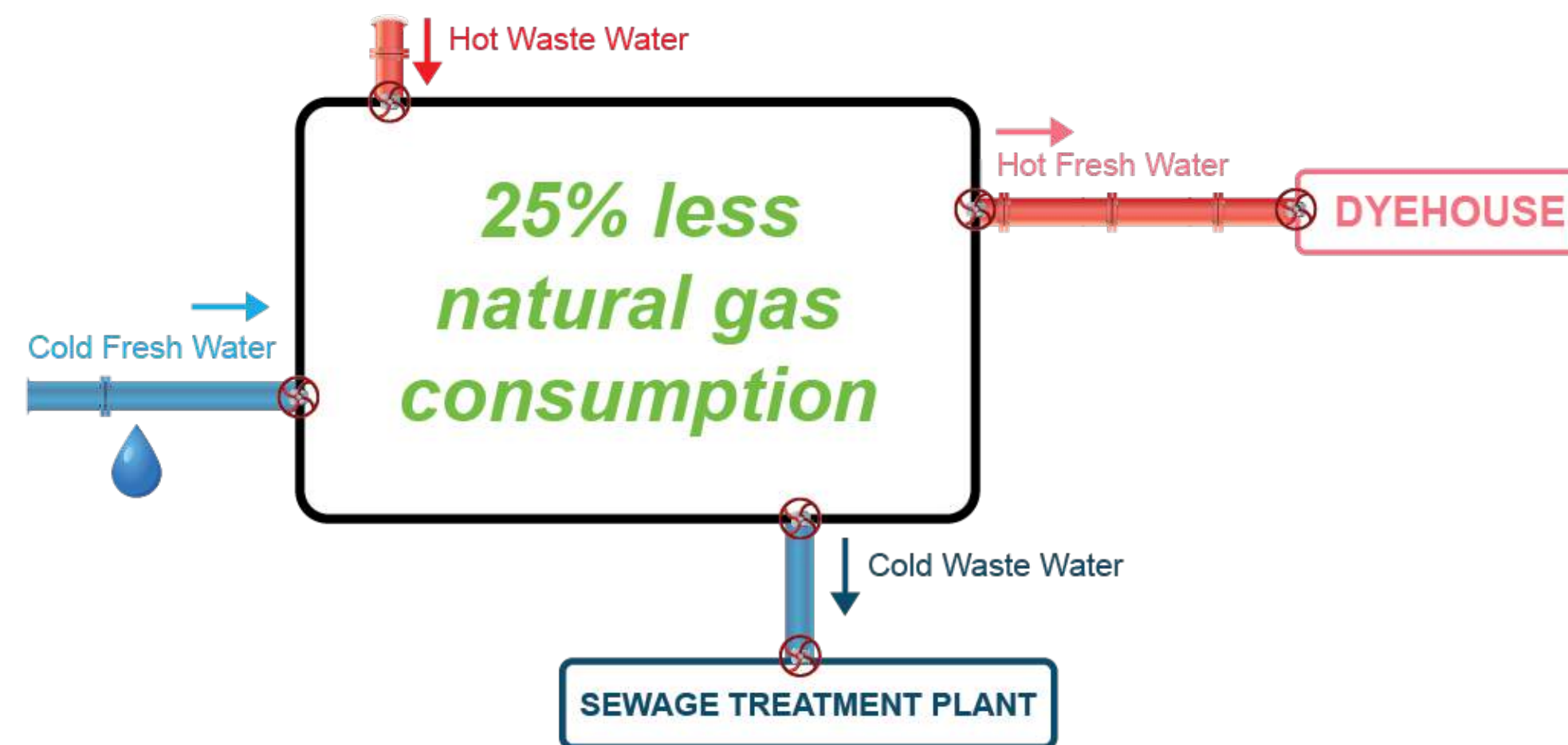
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ENERGY SAVING

In our wastewater energy recovery facility, an annual saving of 100,000 Sm³ of natural gas is achieved. This results in a 25% reduction in natural gas consumption.



ISO 50001

We started working on establishing the ISO 50001 Energy Management System in 2023, believing that it will greatly contribute to our company's energy efficiency. Our goal is to implement the system, operate it, and obtain certification by the second half of 2024.





ENERGY EFFICIENCY

By implementing the ISO 50001 Energy Management System, we aim to continuously improve our energy performance, reduce our environmental impacts, and lower our energy costs. In this regard, the goals and energy targets we have set to enhance energy efficiency and strengthen our sustainable production approach are as follows:

OUR GOALS

Reducing Electricity Consumption

Based on the reference year of 2023, we aim to reduce our factory's total electricity consumption by 5.7% within 2 years through the implementation of energy action projects. In line with this goal, we will invest in energy-efficient technologies to optimize electricity usage in our production processes.

Reducing Natural Gas Consumption

Taking 2023 as the reference year, we plan to reduce our natural gas consumption by 2.1% within 2 years through various projects in our facility. Improvement efforts will specifically focus on major energy consumers such as steam boilers.

Reducing Carbon Emissions

Based on the 2023 reference, reducing our carbon emissions by 9.4% within 2 years is one of our sustainability goals. In this regard, we aim to minimize our environmental impacts by using energy resources more efficiently.

Prioritizing Energy-Efficient Technologies

We aim to evaluate energy-efficient technologies in all our investment projects and prioritize these technologies. This will help us reduce energy consumption and support environmental sustainability

OUR ENERGY GOALS

IEU 2 Dyehouse (Electricity)

Based on the 2023 reference year, we aim to reduce our electricity consumption in the Dyehouse department by 2.61% by the end of 2024.

IEU 3 Finishing (Electricity)

Compared to 2023, we will reduce our electricity consumption in the Finishing department by 1.67% by the end of 2024.

Entire Site (Electricity)

By the end of 2024, we aim to reduce our electricity consumption across the entire site by 1% through the installation of an Energy Monitoring System. This system will help us closely monitor energy consumption and improve efficiency.

IEU 1 Boiler (Natural Gas)

Based on the 2023 reference year, we aim to reduce natural gas consumption in our boiler by 2.1% by the end of 2024. We aim to minimize natural gas usage through improvement activities in this area.

Energy Management Training

Throughout 2024, we will provide ISO 50001 Energy Management System awareness training to all employees in departments identified as Important Energy Users (IEU). These training sessions will contribute to the more effective implementation of our energy management strategies.

Energy Efficiency Awareness Training

In 2024, we plan to provide energy efficiency awareness training to all white-collar and blue-collar employees. This will ensure that all our employees become more conscious and proactive in energy efficiency.



WASTE MANAGEMENT

Hazardous and non-hazardous waste is regularly delivered to licensed units. The entire process is carried out under the supervision of the Ministry.

In order to reduce the amount of waste, a 3-year waste management plan was submitted to the Ministry of Environment in 2022 and has been approved.





WASTE MANAGEMENT

We adopt an effective approach to waste management, which is one of the most important steps in ensuring environmental sustainability. Our goal is to minimize waste generated during our production processes, increase recycling rates, and reduce our environmental impact to the lowest possible level. In this regard, our waste management policy has been structured.

Our Future Goals

By 2025, we aim to include 80% of our waste in recycling processes. Through improvements in all our processes in line with the zero waste policy, we aim to reduce waste by 10%. By the end of 2024, we aim to ensure that 100% of hazardous waste is recovered or disposed of in compliance with regulations.

OUR WASTE MANAGEMENT STRATEGY

Waste Reduction

We aim to minimize waste generation by increasing efficiency in our production processes. Through process improvements and energy efficiency projects, we are continuously working to reduce both raw material waste and production-related waste.

Recycling and Reuse

We separate recyclable waste as much as possible and include it in recycling systems. Recycling systems have been developed within the company for waste materials such as plastic, paper, and metal that have recycling potential. Additionally, we support the circular economy concept by re-integrating some waste materials into our production processes.

Hazardous Waste Management

The safe management of hazardous waste is of utmost importance. In this regard, we store our hazardous waste in compliance with regulations and dispose of it through authorized licensed companies. Continuous monitoring and control processes are implemented to prevent these wastes from harming the environment.

Waste Tracking and Reporting

All of our waste is regularly monitored and reported. Detailed records are kept regarding the quantities, types, and disposal methods of the waste.

Employee Awareness and Training

Increasing employee awareness is one of our priorities for effective waste management. To achieve this, we regularly organize waste management and environmental awareness training, ensuring that our employees are informed and conscious of these matters.

Collaboration with Suppliers and Business Partners

We aim to align our waste management practices not only within the company but also with our suppliers and business partners. In this regard, we encourage the companies in our supply chain to act responsibly regarding waste management.

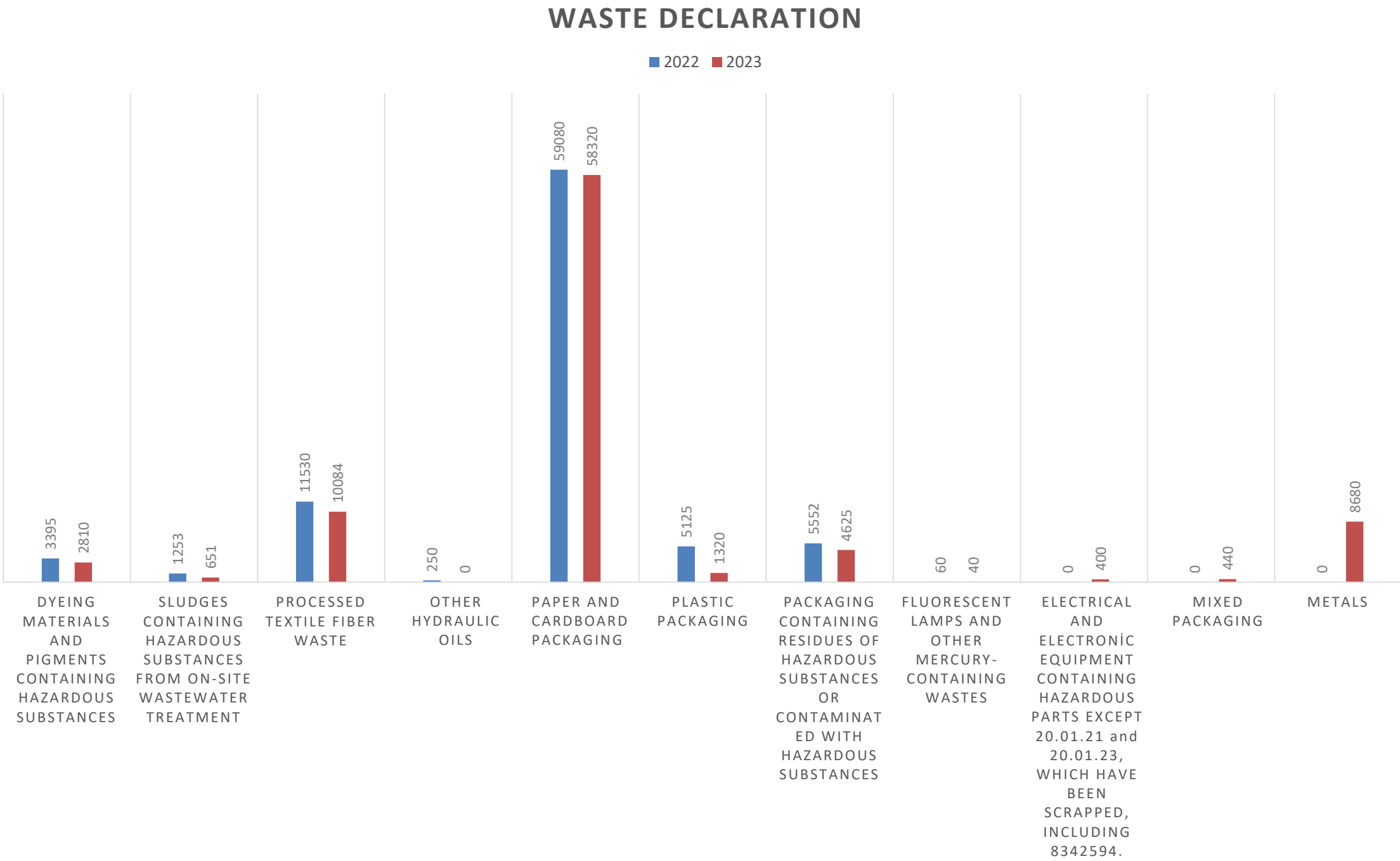


WASTE MANAGEMENT

We report our hazardous and non-hazardous waste every year. For hazardous waste, we achieved a 23% reduction compared to the previous year.

In processed textile fiber waste, we reduced the amount by 14% due to increased efficiency in production.

Our target for 2024 is to reduce the non-hazardous waste amount, which increased in 2023 compared to the previous year, by 10%.





CHEMICAL MANAGEMENT

We carefully monitor all processes of chemicals used in our facility, from their arrival and storage to their use and disposal. In this process, we regularly organize awareness training for chemical usage and storage to raise awareness. We also seek consultancy services regarding the responsibilities brought by the parties involved in the transportation of hazardous chemicals.

In the fourth quarter of 2023, we prepared a detailed chemical inventory to ensure the careful monitoring of chemicals. This allows us to track the activities of chemicals in our facility by department. In 2024, we plan to align our operations with the ZDHC MRSL (Restricted Substances List for Manufacturing).

Every year, we regularly check the compliance of our raw material suppliers with Oeko-Tex standards, and the Oeko-Tex Standard 100 certification for our entire product range was obtained again in 2023.





RECYCLED PRODUCTS

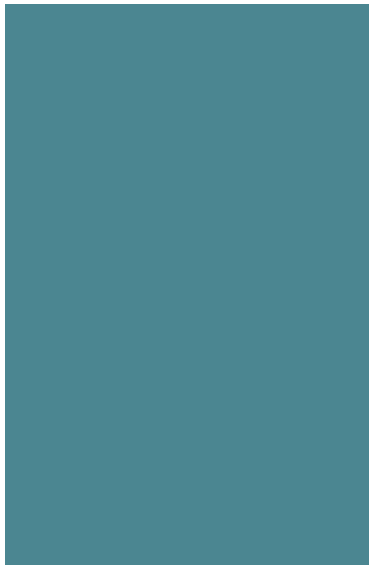
All of our polyester products, catering to both sewing and embroidery applications, can be offered to our customers as recycled products.

All of our recycled raw material needs are sourced from REPREE.



DURAFIX®

Recycled
High Tenacity
Polyester Sewing and
Embroidery Thread



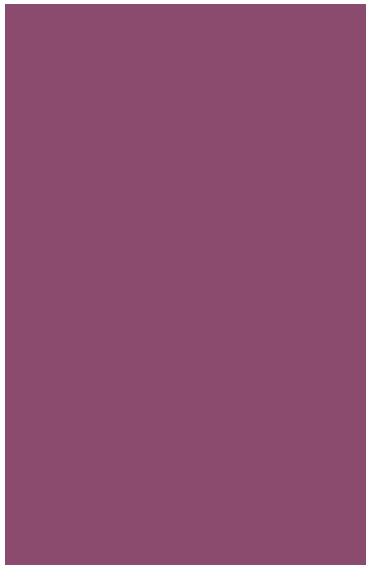
POLY-STRONG®

Recycled
Corespun Polyester
Sewing Thread



LYOSENSE®/
LYOSTITCH®

100% Lyocell Sewing
and Embroidery
Thread from Wood
Pulp



DURATEX®

Recycled
Texturized Polyester
Sewing Thread



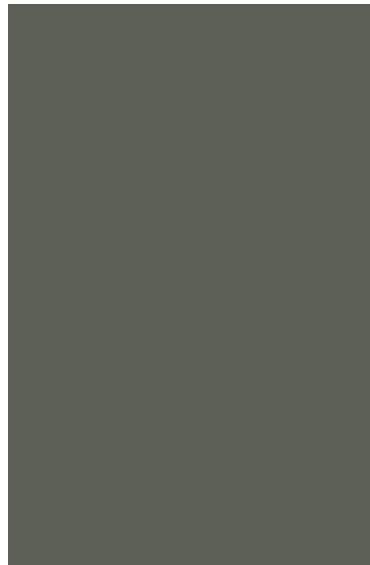
POLY-SOFT®

Recycled
Trilobal Polyester
Embroidery Thread



DURACOTTON BIO®

100% Organic
Cotton Sewing and
Embroidery Thread



POLY-JET®

Recycled
Spun Polyester Sewing
Thread





GLOBAL RECYCLED STANDARD

As of 2023, we have certified our products made from recycled materials with the GRS (Global Recycled Standard) certification.





GLOBAL ORGANIC TEXTILE STANDARD

As of 2023, our products made from organic raw materials have been certified with the GOTS (Global Organic Textile Standard) certification.



ISO 14001

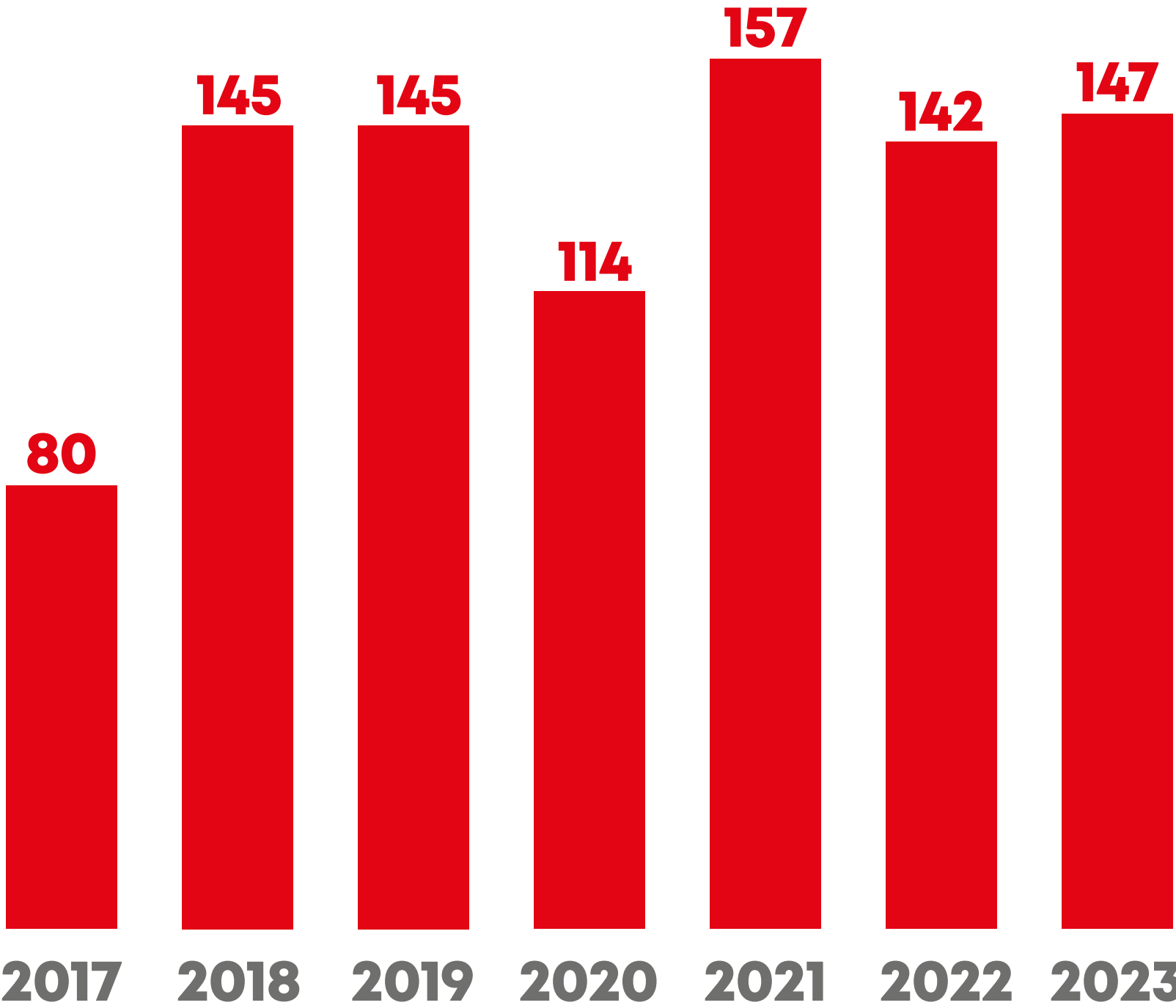
As of 2023, preparations have begun for the establishment of the ISO 14001 Environmental Management System.





KAIZEN

The number of Kaizen activities from 2017 to 2023

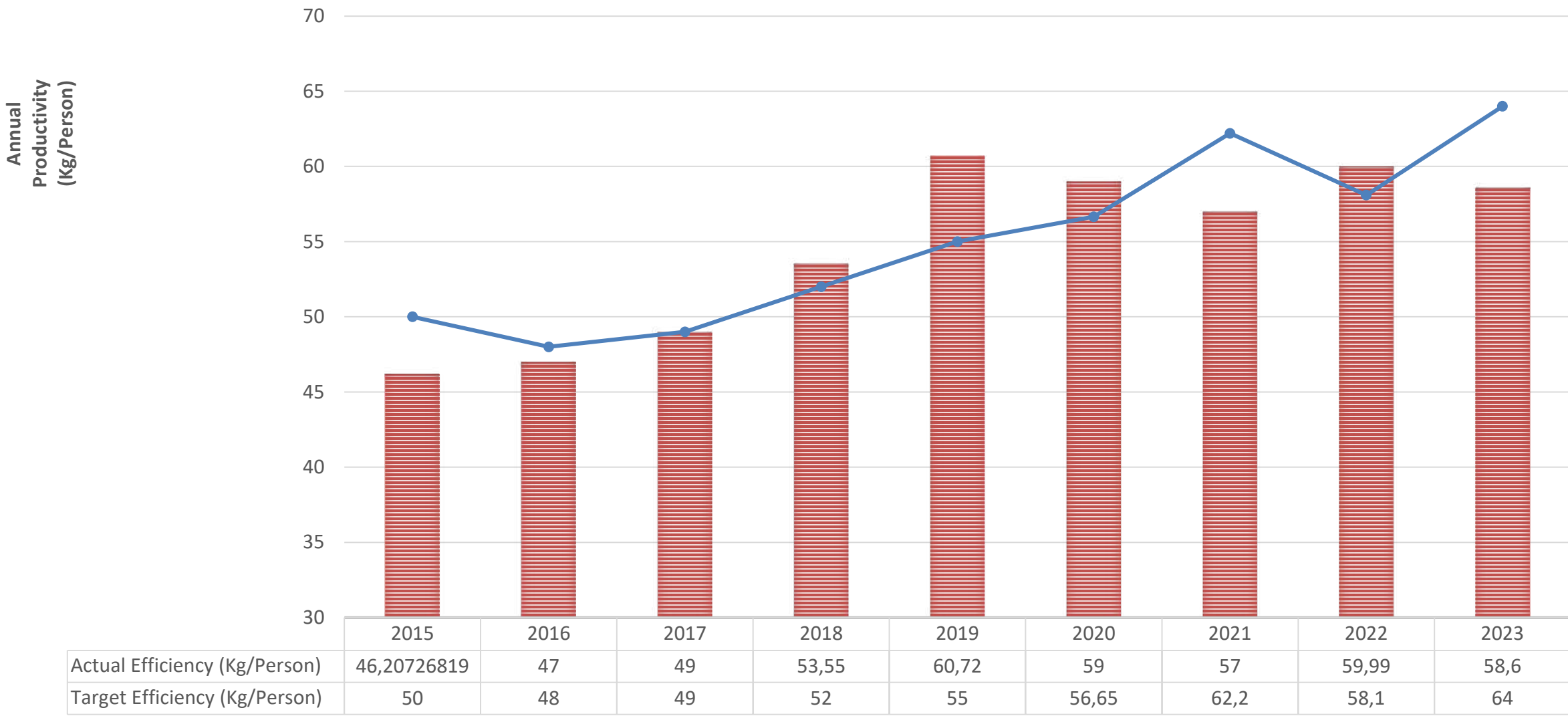




FINISHING EFFICIENCY

In the Finishing department, a 27% improvement was achieved.

Annual Productivity (Kg/Person)

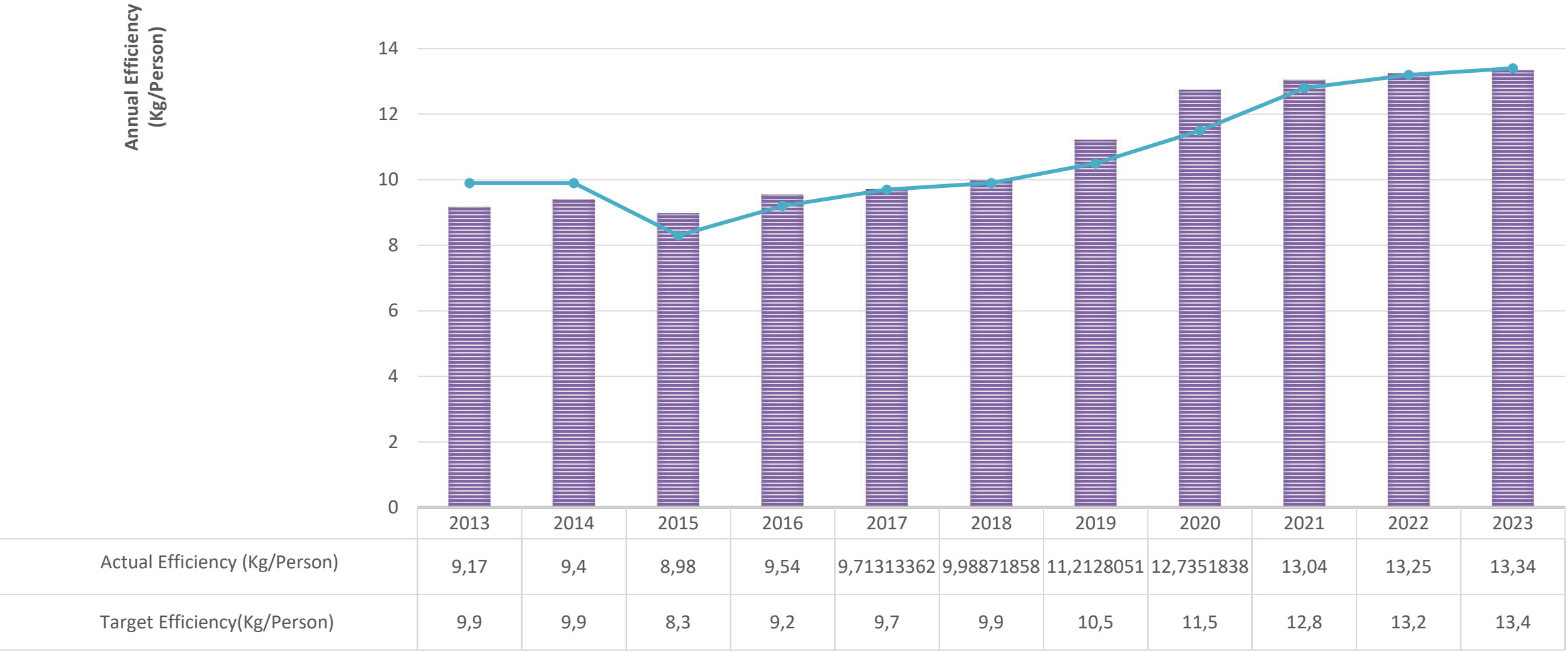




PRE-YARN EFFICIENCY

A 45% improvement was achieved in thread preparation.

Annual Efficiency (Kg/Person)





ANNUAL WASTE RATE

We achieved a 28% reduction in the annual waste rate.

Annual Waste Rate (%)

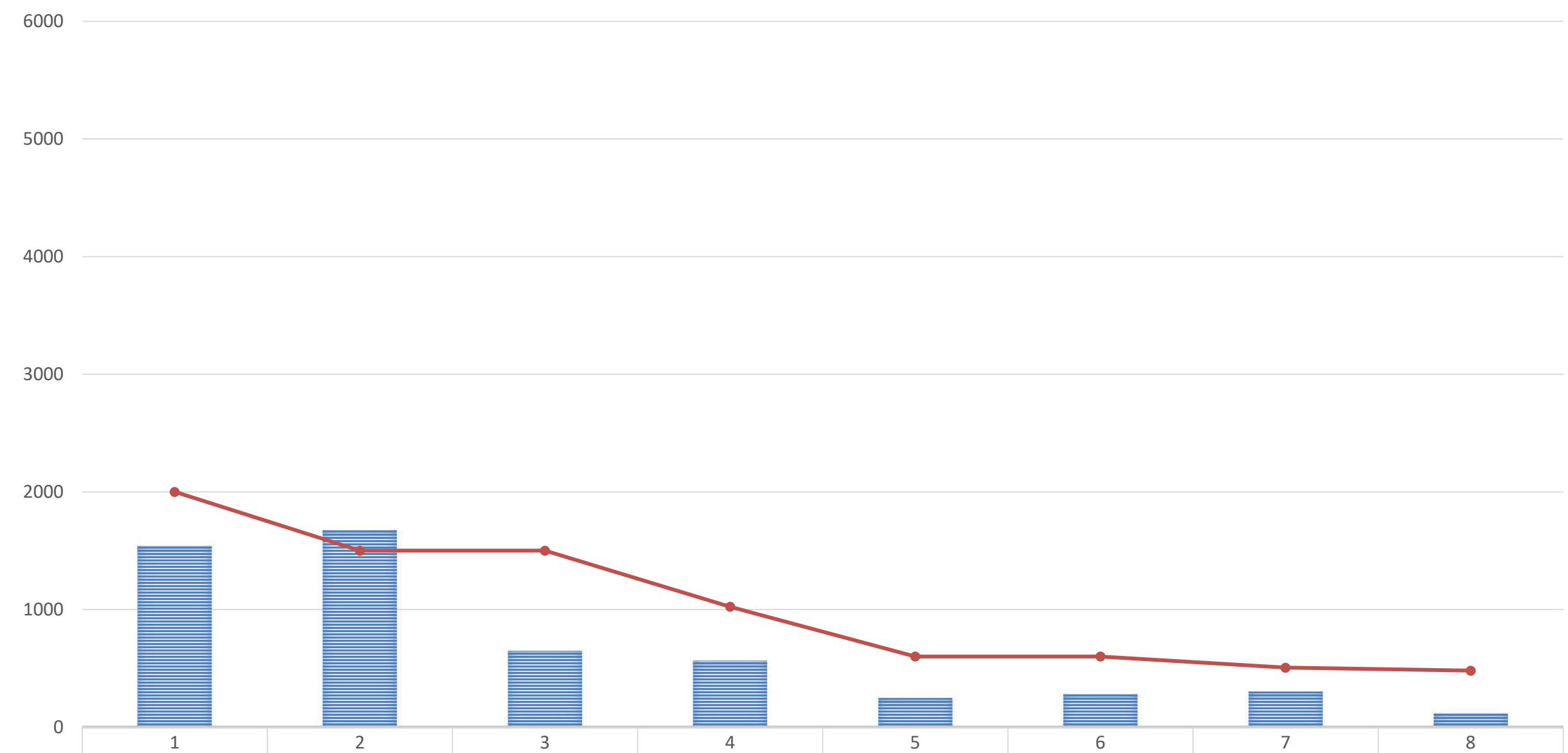


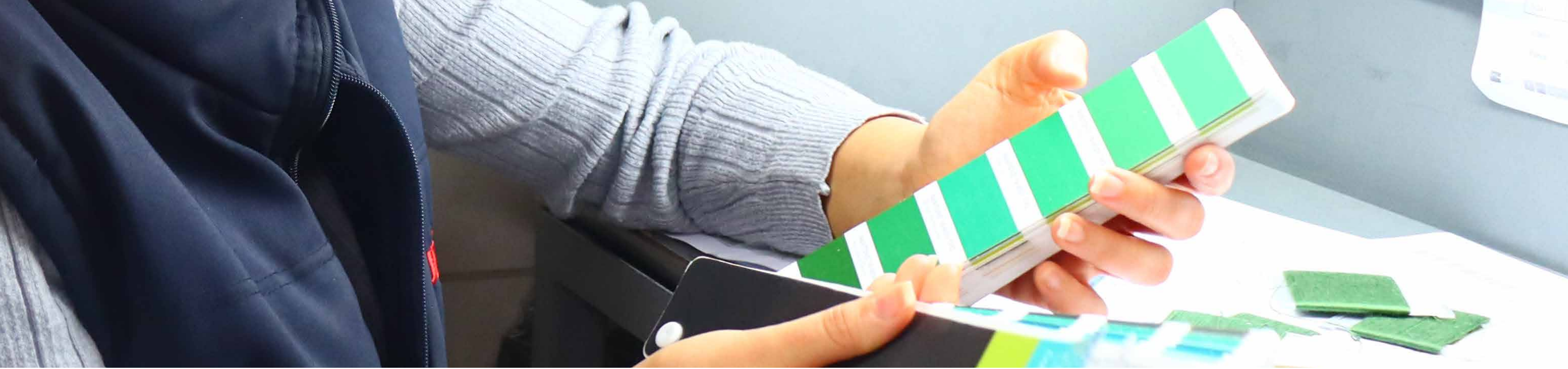


FINISHING REPROCESSING

We have gradually reduced the amount of products requiring reprocessing in the Finishing department.

Annual Reprocessing Product Quantity (PPM)





APPROACH TO R&D AND DESIGN

At the Durak Tekstil Design Center, we create design solutions by addressing the needs of various sectors including Apparel, Embroidery, Footwear, Bedding, Upholstery, Home Textiles, Automotive, Denim, Outdoor, Embroidery, Filters, and Technical Sewing.

In addition, the use of recycled raw materials, which has emerged as a significant shift in sustainability projections, remains one of our key focus areas. In our ongoing development efforts, we are concentrating on personal protective equipment and technical textiles (including construction, agriculture, medical, sports and activewear, outdoor, and maritime applications), which are expected to replace conventional thread demands in the near future.

We are aware that the best way to respond to our customers' current and future needs is to experience and explore these demands in-house. Keeping pace with the times, staying ahead of trends, remaining up-to-date and innovative—these can only be achieved by incorporating experience into our ways of working. At Durak Tekstil, we do not limit our products to just sewing and embroidery threads. Alongside our products, we also offer our long-standing experience, our relationship with art, advanced technologies, and innovative ideas. To develop solutions in these areas and ensure the continued relevance of our product portfolio, working in the fields of innovation and design is essential for us.

However, we also encourage all Durak Tekstil employees—beyond our own department—to think in line with our design philosophy and to contribute innovative ideas. The synergy we create will be the key to achieving success in such a challenging field.



APPROACH TO R&D AND DESIGN

In our design efforts, we closely follow major industry trends.

One of the key focuses is developing projects that minimize the negative environmental impact of textiles. We work with materials such as recycled polymers, biodegradable substances, and organic cotton. We even explore questions like how garments can be economically recycled at the end of their life cycle, and what can be done to make them truly recyclable in practice.



APPROACH TO R&D AND DESIGN

We are developing products in line with the rising trend of protective textiles. We design threads that meet the high expectations of this field, including flame-retardant threads and those made from high-cut resistance polymers. In addition, we design and produce many other functional threads tailored to specific needs, such as conductive threads and anti-static threads that prevent electrostatic discharge.

We closely monitor the challenges faced by the industry and develop specific, customer-oriented solutions to address them. To achieve this, we maintain strong communication with our customers, suppliers, end users, universities, and testing laboratories. Our team, composed of experts from various disciplines with a strong focus on R&D and design, continues to work collaboratively on these efforts.

Within this framework, we have successfully completed 8 projects and currently have 9 ongoing projects.



APPROACH TO R&D AND DESIGN

Number of
Employees in R&D

POSITION	QUALIFICATION	NUMBER
Designer	Post-PhD	0
Designer	PhD	0
Designer	Post-PhD	0
Designer	Master's Degree	1
Designer	Master's Student	5
Designer	Bachelor's Degree	12
Technician	Vocational School	4
Technician	Vocational High School	8
Support Personnel	Manager, Laboratory, Technical Staff, Secretary, Worker etc.	2
TOTAL		32



APPROACH TO R&D AND DESIGN

Information on Additional Design
Discount Criteria

CRITERIA	2022	2023
The share of design expenditure in total turnover (%)	1,514	2,083
The number of registered national or international patents	0	1



APPROACH TO R&D AND DESIGN

4.3. General Status of Intellectual and Industrial Property Rights for the Last Two Activity Periods

Intellectual and Industrial Property and Publication Status	2022	2023
Number of Patent Applications	4	0
Number of Registered National or International Patents	0	1
Number of Design Applications	0	0
Number of Registered Designs	0	0
Number of Registered Trademarks	0	11
Number of Publications, Articles, Presentations	1	1
Number of Registered Utility Models	0	0
Number of Registered Industrial Designs	0	0
Number of Registered Software Copyrights	0	0
Number of Registered Triadic Patents	0	0
Number of National Publications	0	1
Number of International Publications	1	0



DIGITAL TRANSFORMATION

This year, digital transformation has become a significant part of our company’s sustainability strategies. Technological advancements and digitalization not only optimize business processes but also contribute significantly to achieving environmental and social sustainability goals. As a company, we design and implement our digital transformation projects in line with sustainability principles.

Our Future Goals

Our digital transformation projects will continue to be integrated with our sustainability strategy. In the coming years, we plan to implement more automation and artificial intelligence-based solutions in operational processes and maximize traceability through digital tools. Our goal is to minimize our environmental impact while strengthening our sustainable business model with the innovations brought by digitalization.

OUR DIGITALIZATION PROJECTS

DEPARTMENT	NUMBER OF COMPLETED PROJECTS
Human Resources	7
Supply Chain	1
Finance-Sales	4
Information Technology	3
Production	1
Machine Energy	1



WORK ACCIDENTS

Employee health and safety is one of our top priorities. To ensure our employees work in a safe environment and to prevent work accidents, we implement a robust occupational health and safety management system. In this context, throughout 2023, we monitored our work accident rates and worked with the goal of continuously improving our occupational health performance.

WORK ACCIDENT DATA FOR 2023

Total Number of Work Accidents	: 4 Minor Work Accidents
Serious Injury Rate (LTIFR)	: 0 (per 1 million working hours)
Lost Workdays	: 21 days/man
Fatal Accidents	: 0

Compared to 2022, we have achieved a 40% reduction in our total workplace accident rate. By expanding our occupational health training, we have successfully raised awareness among our employees working in high-risk areas. However, since the decrease in our serious injury rate was less than expected, we continue to implement more intensive measures in this area.

Measures We Have Taken to Prevent Workplace Accidents

Throughout 2023, all our employees received occupational safety training, and additional training was provided for employees working in high-risk areas. Strict inspections were carried out regarding the use of personal protective equipment (PPE), ensuring that our employees used this equipment correctly. Regular occupational health and safety inspections were conducted at all our workplaces, and comprehensive investigations were carried out following the report of each accident.

Our Goals

We are working to reduce the number of lost workdays by 10% by 2025. We are committed to strengthening our occupational health and safety management system with ISO 45001 certification and applying it across all our operations.

The strategies we have developed to prevent workplace accidents aim not only to meet legal obligations but also to maximize the safety of our employees. With the contributions of our employees and occupational safety experts, we continuously make improvements in this area and aim to minimize workplace accidents.



NUMBER OF EMPLOYEES

In line with our sustainable growth strategy, we have a strong and dynamic workforce. As of 2023, a total of 305 full-time employees are working in our company. There are no temporary workers in our factory.

NUMBER OF EMPLOYEES	MALE	FEMALE
WHITE-COLLAR	36	33
BLUE-COLLAR	6	0
GRAY-COLLAR	80	150
HIGH SCHOOL INTERN	6	0

PROCESS PERFORMANCE INDICATOR	UNIT	PERIOD	2023 ACTUAL
Turnover Rate (White & Gray Collar)	%	MONTHLY	5,31
Turnover Rate (Blue Collar)	%	MONTHLY	1,76

Demographic Distribution

60% of our employees are women, while 40% are men. The age distribution is as follows: 19% are between 18-30 years old, 72% are between 31-50 years old, and 9% are over 51 years old. Additionally, 23% of our employees have been with the company for more than five years.

Workforce Diversity and Inclusion

Our management team consists of 33% women. Additionally, the number of employees with disabilities makes up 3% of our workforce, and we plan to increase this percentage in the coming years.

Our Employment Policies

In line with our human resources strategy, we conduct regular feedback surveys to increase employee satisfaction and provide development opportunities.

Training and Development

During 2023, a total of 32 hours of training was provided to our employees, with a focus on occupational safety, leadership development, and technical skill enhancement.

The number of employees who participated in the training programs reached 309.

Durak Tekstil, as a company that values employee satisfaction and personal development, continuously supports and strengthens its workforce. Our recruitment policies and training programs help our employees progress in their careers while also enhancing the overall success of our company.



CAREER OPPORTUNITIES

As part of a family with equal opportunities, all employees of Durak Tekstil are included in a comprehensive orientation process within the framework of the company culture, based on their competencies, professional and personal tendencies, and are supported to keep themselves up-to-date and develop.



CAREER OPPORTUNITIES

Durak Tekstil stands out as one of the institutions that supports women the most in their career journey, by addressing female employment with its multifaceted benefits.

%60 Women
Employment
Rate



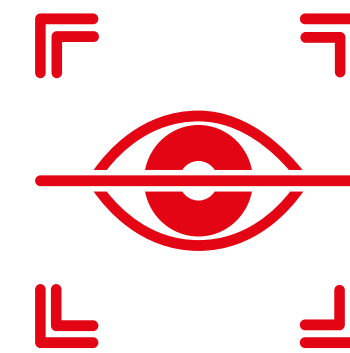


HEALTH CHECK-UPS

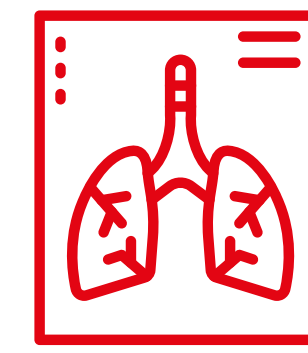
Periodic health check-ups are conducted for all our employees, especially for our women.



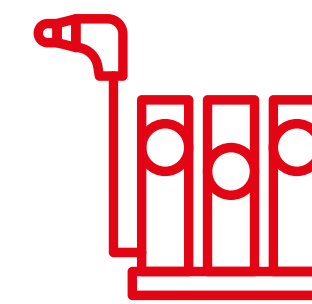
AUDIOMETRY



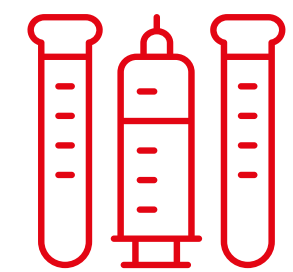
EYE SCREENING



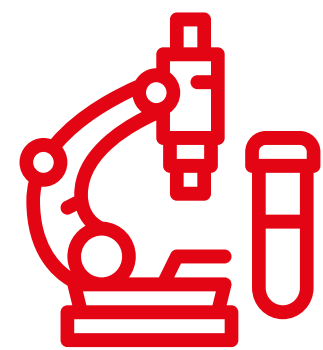
CHEST
X-RAY



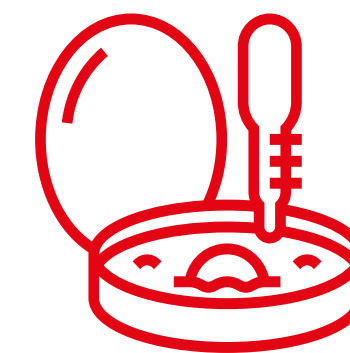
PULMONARY
FUNCTION
TEST



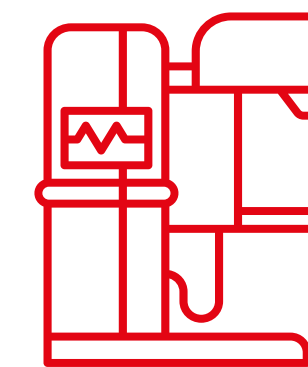
HEAVY
METAL
TESTS



CARRIER
SCREENING



SMEAR TEST



MAMMOGRAPHY



HEMOGRAM

BLOOD DONATION

As the Durak Family, we regularly donate blood to the Turkish Red Crescent to support people in times of need.





MEMBERSHIPS IN CIVIL SOCIETY ORGANIZATIONS AND ASSOCIATIONS

Being a member of these organizations and associations reflects Durak Tekstil's commitment to fulfilling its responsibilities towards the environment and society, while contributing to its sustainability goals. Through these memberships, we adopt a more sustainable and socially responsible production model.

Durak Tekstil aims to contribute to the development of both our industry and society within the framework of sustainability and social responsibility. In this context, we actively participate in achieving sectoral development and sustainability goals by being a member of various national and international non-governmental organizations and associations.

The organizations we are involved in not only support the business world but also aim to create awareness in environmental, social, and governance areas, ultimately benefiting society as a whole. Below is a list of the key non-governmental organizations and associations we are a member of:





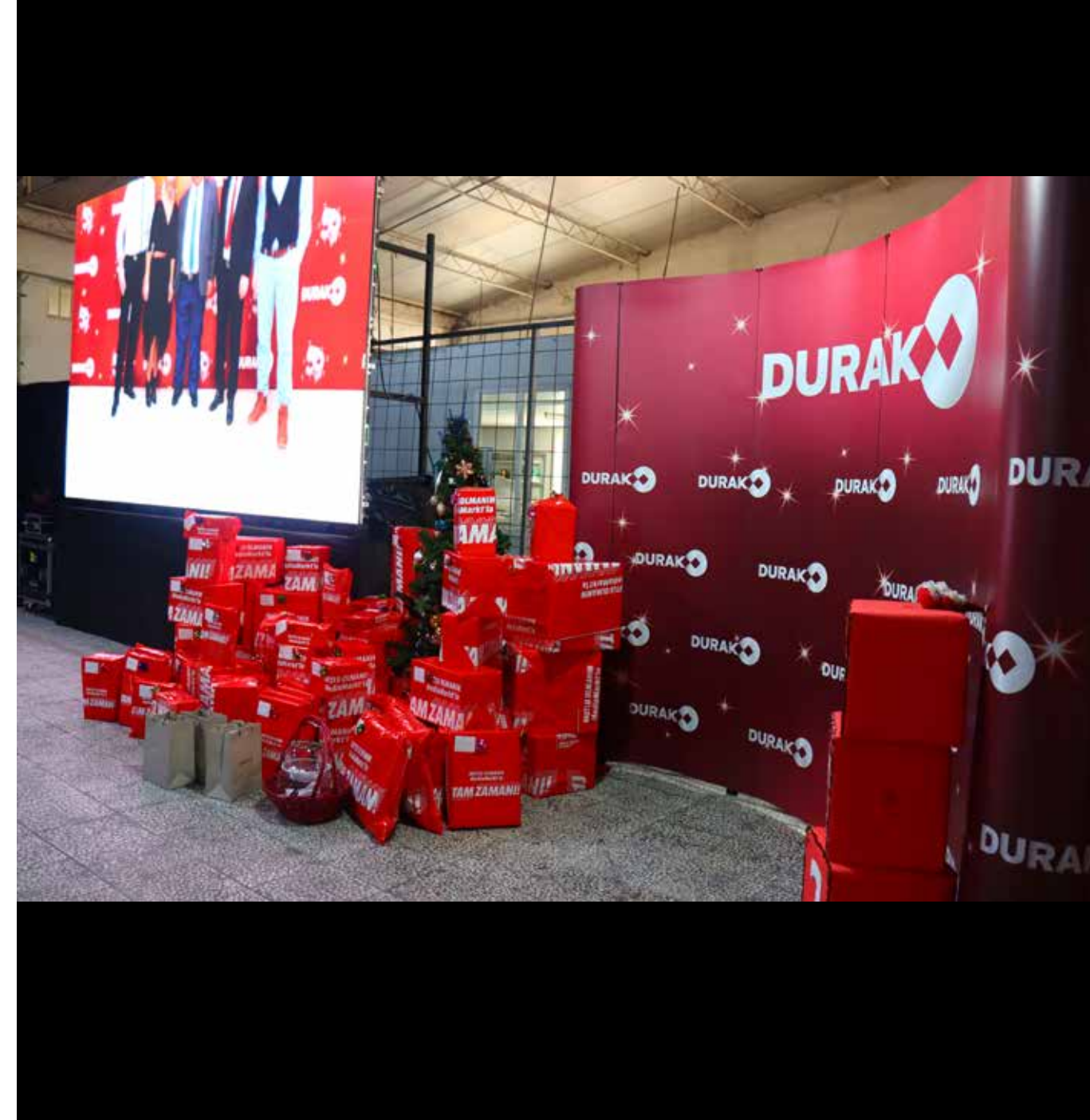
SOCIAL EVENTS AND EMPLOYEE SUPPORTS

Every quarter, all our employees receive food packages as part of our regular support program.

In March of each year, a Women's Day Event is organized, inviting all our female employees to celebrate the occasion.

At the start of each year, a New Year celebration is organized for all employees, accompanied by gift boxes and gift cards.

In November each year, a seasonal winter fuel assistance is provided to all employees to help cover winter-related expenses.



DURAKTÜEL

To strengthen internal communication, our Duraktüel Company Newsletter is published both digitally and in print every six months.





SUPPORT FOR EDUCATION

Every year, educational scholarship support is provided to children from families in need on a periodic basis.





SUPPORT FOR EDUCATION

To promote equal opportunities in education, we provide library and computer support to children attending primary and secondary schools in rural areas.





SUPPORT FOR EDUCATION

Thread Support for Vocational Schools and Universities

The support provided to education aims to foster the vocational and technical development of young people, contribute to the industry by producing qualified workforce, and contribute to a sustainable future. It is planned that the education-focused activities conducted in previous years will continue in a broader and more impactful way in the upcoming period.

Under the Erasmus project titled “Sustainable Textile Education for Future Fashion Designers and Tailors,” officials and students from partner schools in Germany and France visited our factory to observe the stages of thread production on-site. This visit contributed to raising awareness among the youth about sustainable production processes and enhancing their knowledge and expertise.

A cooperation protocol was signed with Bursa Necatibey Vocational and Technical Anatolian High School. Within the framework of this protocol, the aim was to provide support to students during their educational processes, increase practical training opportunities, and develop joint projects.



SUPPORT FOR EDUCATION

An event for the 23rd of April National Sovereignty and Children's Day is organized for the children of our employees. Additionally, a drawing competition is held, and gifts are provided to all the children.





SUPPORT FOR EDUCATION

In line with children's rights, clothing needs of children in need are met to support their right to access basic necessities and adequate living conditions.





APPENDIX

GRI Content Index

GRI Content Index	
Declaration of Use	Durak Tekstil San. ve Tic. A.S. has conducted reporting in accordance with GRI Standards for the period of 01.01.2023-31.12.2023.
GRI Used	GRI 1: 2021 Universal Standards

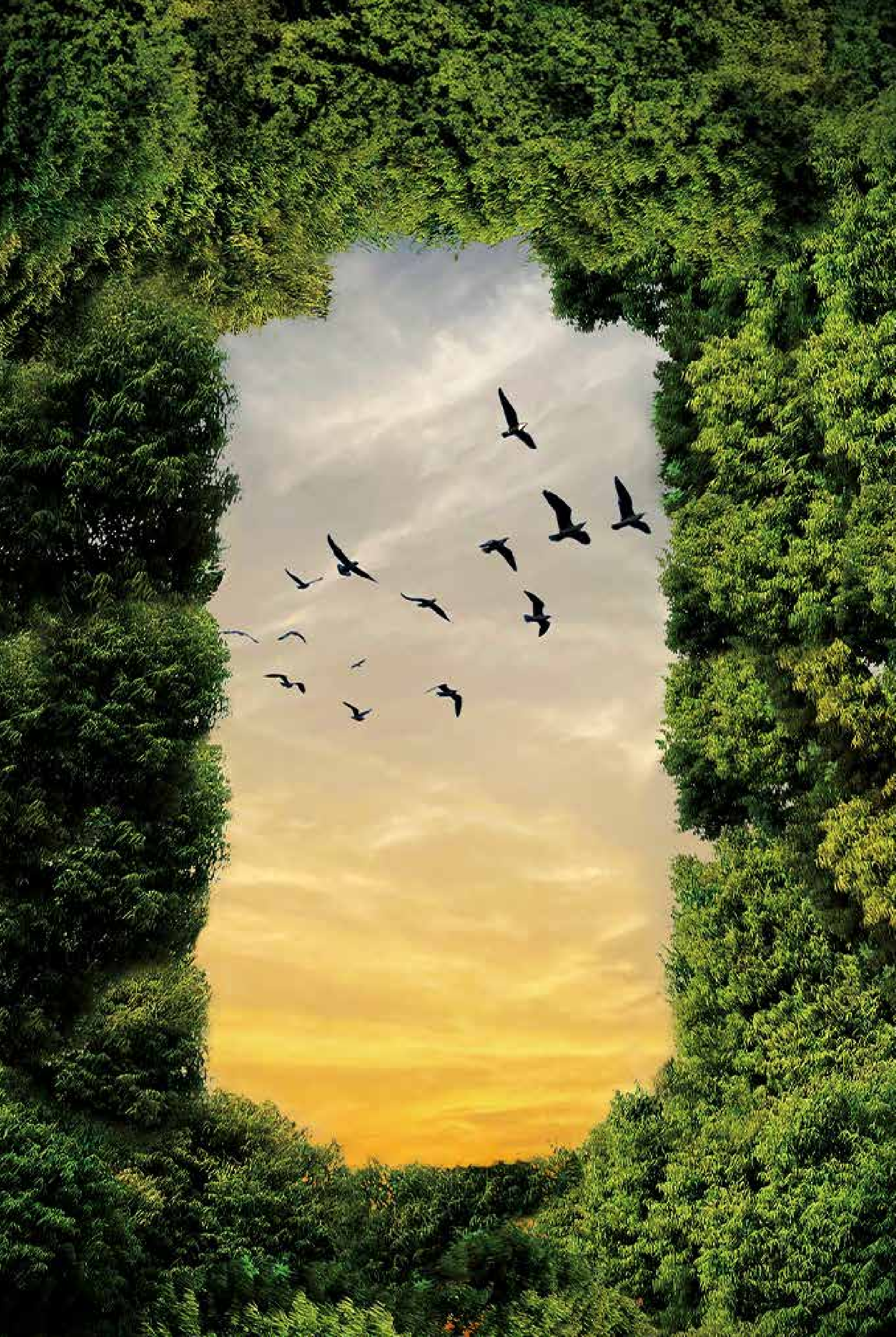
GRI STANDARD	EXPLANATION	EXPLANATION SECTION
GRI 2: General Disclosures	2-1 Organization Details	Page 02-04
	2-2 Entities Included in the Sustainability Report	Page 01
	2-3 Reporting Period, Frequency, and Contact Information	Page 01, 65, 66
	2-4 Repetitive Information	No repetitive information
	2-5 External Assurance	Page 02-04
	2-6 Activities, Value Chain, and Other Business Relationships	Page 05, 06
	2-7 Employees	Page 49-51
	2-8 Non-Employee Workers	Page 49
	2-9 Governance Structure & Composition	Page 09-10
	2-10 Selection and Appointment of the Highest Governance Body	Page 09
	2-11 Chair of the Highest Governance Body	Page 09
	2-12 Role of the Highest Governance Body in Managing Impacts	Page 09, 10
	2-13 Delegation of Responsibility for Managing Impacts	Page 09, 10
	2-14 Role of the Highest Governance Body in Sustainability Reporting	Page 10
	2-15 Conflicts of Interest	Page 09
	2-16 Communication of Critical Issues	Page 09
	2-17 Collective Knowledge of the Highest Governance Body	Page 10
	2-18 Performance Evaluation of the Highest Governance Body	Page 09
	2-19 Remuneration Policies	Page 09
	2-20 Process for Determining Remuneration	Page 09
	2-21 Annual Total Remuneration Ratio	Page 09
	2-22 Sustainable Development Strategy	Page 11-13
	2-23 Policy Commitments	Page 14
	2-24 Integration of Policy Commitments	Page 14
	2-25 Process for Improving Negative Impacts	Page 09, 13
	2-26 Consultation and Complaint Mechanisms	Page 09
	2-27 Compliance with Laws and Regulations	Page 09
	2-28 Membership in Associations & Org.	Page 54
	2-29 Approach to Stakeholder Engagement	Page 09, 10
	2-30 Collective Bargaining Agreements	Page 50, 51

GRI STANDARD	EXPLANATION	EXPLANATION SECTION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 32, 33
	301-2 Recycled input materials used	Page 32, 33
	301-3 Reclaimed products and their packaging materials	Page 32, 33

GRI Content Index

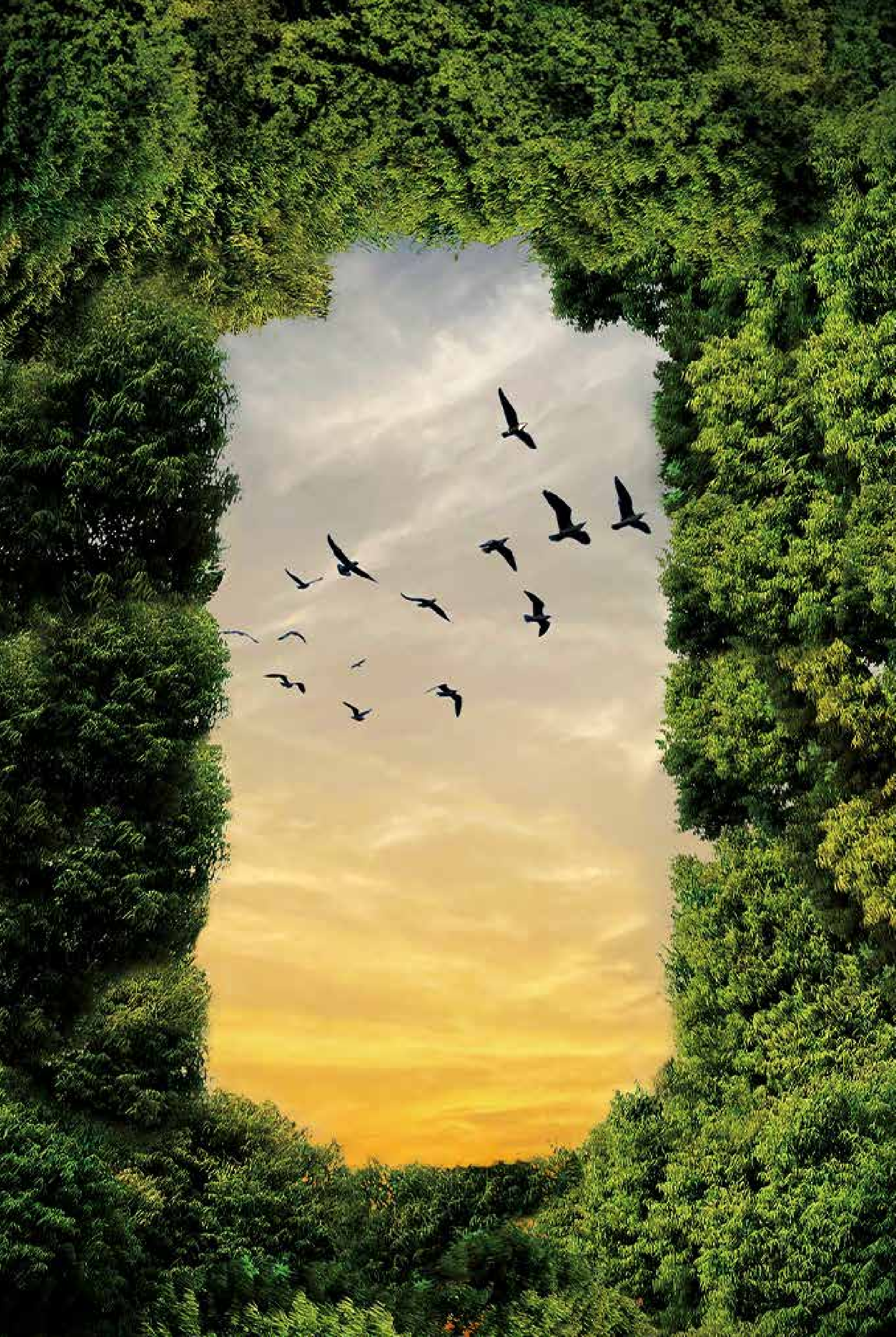
GRI STANDARD	EXPLANATION	EXPLANATION SECTION
GRI 302: Energy 2016	302-1: Energy consumption within the organization	Page 22
	302-2: Energy consumption outside the organization	Page 22
	302-3: Energy intensity	Page 22
	302-4: Reduction of energy consumption	Page 23
	302-5: Reductions in energy requirements of products and services	Page 25
GRI 303: Water and Effluents 2018	303-1: Interactions with shared water resources	Page 20
	303-2: Management of water discharge-related impacts	Page 20
	303-3: Water withdrawal	Page 20
	303-4: Water discharge	Page 20
	303-5: Water consumption	Page 20
GRI 306: Waste and Effluents 2016	306-3: Significant effluent spills	Page 20
GRI 306: Waste 2020	306-1: Waste generation and significant impacts of waste	Page 27
	306-2: Management of significant waste-related impacts	Page 27
	306-3: Waste generation	Page 28
	306-4: Waste diverted from disposal	Page 28
	306-5: Waste disposed of	Page 28

GRI STANDARD	EXPLANATION	EXPLANATION SECTION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 49
	401-3 Parental leave	Page 49
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 48
	403-2 Hazard identification, risk assessment, and incident investigation	Page 48
	403-3 Occupational health services	Page 48, 52
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 48
	403-5 Worker training on occupational health and safety	Page 48
	403-6 Promotion of worker health	Page 48
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to work relationships	Page 48
	403-8 Workers covered by the occupational health and safety management system	Page 48
	403-9 Work-related injuries	Page 48
	403-10 Meslek hastalıkları	Page 48
GRI 404: Training and Education 2016	404-1 Average annual hours of training per employee	Page 49
	404-2 Programs for enhancing employee skills and transition assistance programs	Page 49
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 44
GRI 405: Training and Education 2016	405-1 Diversity of governance bodies and employees	Page 49, 51



Contact for Sustainability Report

Trade Name	Durak Tekstil San. Ve Tic. A.Ş.
Trade Registry Number	16239
Mersis Number	0315002034200033
Tax Office and Number	Ertuğrulgazi V.D. 3150020342
Factory Address	Vakıf Mah. Vakıfköy Cad. No:72 Yıldırım/Bursa
Factory Phone	(0224) 353 01 13
Website Address	durak.com



Contact for Sustainability Report

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Sustainability Support Team

Durak Tekstil Sustainability Team:
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LEGAL DISCLAIMER

The information contained in this report has been prepared to inform the public about Durak Tekstil's sustainability activities, goals, and performance. The data presented in the report has been compiled based on the most up-to-date information available, and every effort has been made to ensure its accuracy and reliability. However, some of the information in the report is based on future expectations, projections, and forecasts. These types of predictions are based on current data and assumptions, and actual results may vary due to uncertainties that may arise in the future.

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